

FISCAL NOTE

SB 1091 - HB 1231

April 3, 2007

SUMMARY OF BILL: Creates a personal health account (PHA) for paying a portion of a TennCare enrollee's health care expenses.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$500,000

Other Fiscal Impact – Increase Federal Expenditures – Exceeds \$500,000

Assumptions:

- The PHA will be funded on a quarterly basis with an actuarially determined amount that is based on current fee-for-service average expenses. Such will not result in a net decrease in state expenditures.
- The Bureau of TennCare will incur an increase in expenditures for the development and implementation of a federal waiver which is estimated to exceed \$1,000,000 (\$500,000 in state funds and \$500,000 in federal funds).
- If the Centers for Medicare and Medicaid Services (CMS) does not approve of the program, the implementation costs will be 100% state funded which will result in an increase to state expenditures exceeding \$1,000,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director

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